STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

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DOVER, DELAWARE 19901

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M E M O R A N D U M

#07-08

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: November 3, 2006

SUBJECT: **ALL INTERNAL CHECKING ACCOUNTS--PAYMENTS TO INDIVIDUALS FOR SERVICE--FORM 1099**

According to IRS guidelines, **all** Form 1099 reportable payments to vendors must be consolidated into one filing on magnetic media from the Division of Accounting. Any state organization that files a paper 1099 is subject to a **$50.00 fine/penalty** for each form submitted to the IRS.

In order to consolidate the 1099 filing, the TN99 table was established within DFMS. Using the attached instructions, organization personnel will make all input into this table. Due to time constraints for issuing 1099s, information must be entered into the TN99 table no later than **Thursday, January 4, 2007**. A report, F25Y4605, 1099 DATA ENTRY TRANSACTIONS LISTING BY DEPT/ORG, will be generated from the data that was entered and made available to you in Mobius for verification. Please notify your State Accountant at the Division of Accounting, immediately, of any errors or discrepancies.

Any individual who currently enters information in the SVEN table will automatically be able to enter information in the TN99 table. **If any individual needs access to the TN99 table, please contact your organization Information Security Officer (ISO).**

Please note the following concerning entry of information into the TN99 table:

1. If you did not make any reportable payments from your internal checking accounts, please enter the State of Delaware's E.I. number 516000279TN in the E.I./S.S.N. block, your department and organization, and zero (0) dollars in the miscellaneous block.

2. Include payments from petty cash accounts as well as payments from internal checking accounts (**ALL** applicable payments <u>other than ones made</u> through DFMS must be included).

3. If multiple payments have been made to the same vendor, please consolidate the payments into one account. Report only **one** amount per vendor.

4. The general rule is that a 1099 must be filed if total payments, <u>to individuals</u> and/or partnerships <u>for services</u>, are $600 or more. However, <u>you</u> must report **all** payments to individuals (including state employees and/or partnerships) <u>for services</u>, **regardless** of the amount. These individuals may have performed services for other state agencies either through DFMS or other internal checking accounts.

5. All payments made for medical or legal services **must** be reported, even if the vendor is a corporation. In that case, please enter P in the S.S.N./P field.

6. If a vendor entered in the TN99 table exists in the DFMS vendor file, VEND, the address in VEND is the address that will be printed on the 1099. Please verify that the address in VEND is correct.

JURY DUTY FEES

If it is your policy for employees to turn in jury duty payments, please submit, via e-mail or fax, a list of the employees' names, addresses, social security numbers and the amount returned. This information will enable us to adjust the system and prevent those payments from being reported for those individuals.

ELECTION/POLL WORKERS

In accordance with IRS Regulation, separate W-2's will be generated for these payments for state employees, regardless of amount received. All other election/poll workers must meet the $600 limit before a W-2 is generated.

If you have any questions, please contact Jerry Minner at (302) 744-1062, fax (302) 744-1045, or e-mail jerry.minnr@state.de.us

TLN:ed

Attachments (2)
- Data Entry Instructions to TN99 Table
- Sample TN99 Table

DATA ENTRY OF FORM 1099 INFORMATION
INTO THE TN99 TABLE

    *   ACTION: A TABLEID: **TN99:** USRID: **Your DFMS security code.**

     E.I./S.S.N.: Social Security number of individual plus 2-digit suffix (usually 01)

     DEPT: 2-digit department code

     ORGN: 4-digit organization code

     NAME2: Name of business – "doing business as" (DBA).

**   **ADDR LINE1:** Address of individual

     ADDR LINE2: Additional address information – if needed

***   **ADDR LINE3:** City and State (use standard abbreviation)

     ZIP: 5-digit zip (zip plus 4 is optional)

     AMT(S): MISC (miscellaneous income), RENT (rental income), INTEREST (interest income), *(Enter consolidated amounts form internal checking accounts)*

     STATE EMPL: **Y** for state employee, **N** for non-state employee

     S.S.N./P: **S** for Individual or Sole Proprietorship, **P** for Partnership

     FOREIGN CNTRY IND: **Y** if foreign, **N** if not foreign

     ALPHABETIC NAME-TYPE: **I** if an Individual, **B** if a Business

     NAME: last name   first name   middle initial

*   Appropriate **ACTION** codes are:
- A   Add to TN99
- C   Change or correct an existing TN99 table
- S   Scan TN99
- R   Refill TN99
- N   Next blank TN99
- E   Exit TN99

**   When filing in address information, please omit punctuation such as commas/periods.

***   City and state must be on ADDR LINE3.

SAMPLE TN99 TABLES

```
ACTION: x                SCREEN: xxxx                    USERID: xxxx
1099 TABLE
KEY IS EMPLOYEE  ID/SOCIAL SECURITY NO.,  DEPARTMENT AND ORGANIZATION
01-
       E.I./S.S.N.:  xxxxxxxxx xx     DEPT: xx    ORGN: xxxx
              NAME:
             NAME2: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
        ADDR LINE1: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
        ADDR LINE2: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
        ADDR LINE3: xxxxxxxxxxxxxxxxxxx xx xxxxx xxxx
                   (COUNTRY/CITY  STATE   ZIP)
     AMT(S): MISC: xxxxxxxxxxxxxx  RENT: xxxxxxxxxxxx  INTEREST: xxxxxxxxxxxx
        STATE EMPL: x          S.S.N./P: x          FOREIGN CNTRY IND: x

ALPHABETIC NAME-TYPE: x (IF "I" ==> TYPE NAME IN LAST FIRST MIDDLE FORMAT)
           LAST                        FIRST              MIDDLE
       NAME: xxxxxxxxxxxxxxxxx        xxxxxxxxxx           xxx
```

```
ACTION: A                SCREEN: TN99                    USERID: FRED
1099 TABLE
KEY IS EMPLOYEE  ID/SOCIAL SECURITY NO.,  DEPARTMENT AND ORGANIZATION
01-
       E.I./S.S.N.:  123456789 01     DEPT: 10    ORGN: 0801
              NAME:
             NAME2: DBA CONN ARTIST
        ADDR LINE1: 678 PAINTER'S COURT
        ADDR LINE2:
        ADDR LINE3: DOVER DE 19901 0678
                   (COUNTRY/CITY  STATE   ZIP)
     AMT(S): MISC:     0.00  RENT:    40378.95  INTEREST:        0.00
        STATE EMPL: N          S.S.N./P: P          FOREIGN CNTRY IND: N

ALPHABETIC NAME-TYPE: x (IF "I" ==> TYPE NAME IN LAST FIRST MIDDLE FORMAT)
           LAST                        FIRST              MIDDLE
       NAME: CONN                      CONNIE                 C
```